

BRNL Consolidates Its Guruvayoor Infra Stake

Srei arm acquires the remaining 51% stake for ₹97 crore from KMC Infratech Road

Our Bureau

Kolkata: Srei Infrastructure Finance-led Bharat Road Network Ltd (BRNL) on Thursday said it has consolidated its holding in Guruvayoor Infrastructure Private Ltd, engaged in constructing 260 km of the Thrissur-Angamali section of NH47 in Kerala. The company, which holds 49% in the Guruvayoor Infrastructure project, acquired the remaining 51% stake from KMC Infratech Road Holdings Ltd for Rs 97 crore.

Following this buyout, Guruvayoor Infrastructure has become a 100% subsidiary of BRNL. The transaction, subject to necessary regulatory approvals, will give BRNL access to Rs 100 crore of free cash flow in the project, the company's media statement stated.

The company's board of directors, which met in Kolkata on Thursday, also approved its financial accounts for the second

quarter ended September 30, 2017, and an interim dividend of 5% per equity share of Rs 10 each. BRNL reported a net profit of Rs 7.86 crore in the said quarter as against Rs 7.6 lakh for the period ended September 30, 2016. Net sales during the quarter under review was Rs 14.60 crore compared to Rs 3.86 crore in the corresponding previous period.

"The recent announcements on massive highway expansion programmes under 'Bharatmala' indicates that opportunities for growth and value creation will continue to expand. We will continue to leverage our expertise in managing infrastructure assets under the public private partnership model to drive a long-term growth," BRNL Managing Director Bajrang Kumar Choudhary said.

The company hopes to increase its operating profits and efficiently manage its interest costs and capital expenditures.

The BRNL project portfolio includes six BOT projects, of which two are operational under final COD, three are operational under provisional COD and one project is under construction. As on September 30, the company is managing road assets worth Rs 6,686 crore, covering 2,095 km across six states in India.